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E.O. 12958: DECL: 05/03/2016  
TAGS: [MARR](#) [PREL](#) [PGOV](#) [NL](#)  
SUBJECT: NETHERLANDS/JSF: OPPOSITION GETTING VOCAL, WHILE  
GOVERNMENT STILL ON TRACK

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Classified By: Ambassador Roland Arnall, reasons 1.4 (b,d)

1. (C) Summary: Dutch opponents of the Joint Strike Fighter (JSF) fired the opening salvo in their efforts to persuade Cabinet not to sign the JSF follow-on MOU by the end of the year. A member of the main opposition Labor Party (PvdA) claimed Labor would cancel a signed MOU should Labor come to power following the 2007 national elections. Meanwhile, the Dutch MOD remains confident the MOU will be signed -- assuming the Dutch are allowed to participate in the operational test and evaluation phase. End summary.

Opposition Tips Its Hand?

2. (C) The Dutch press reported May 3 extensively on comments made by Labor (PvdA) Defense Acquisitions spokesperson Luuk Blom, who called on the Dutch Cabinet not to sign the JSF follow-on MOU at the end of the year. Blom said during an interview in the Dutch weekly "Intermediair" that the Labor Party did not want to inherit JSF when it comes to power following the 2007 national elections. He said a Labor-dominated government would cancel a signed MOU -- "not a single JSF will be bought under Labor." Blom argued that the JSF business plan is "based on quicksand," and that there was no guarantee that the Dutch would see a return on their investment. He also said all contracts awarded to the Dutch

to date have been granted to Stork, representing "covert government support" for a single company.

13. (C) The Dutch newspaper "Telegraaf" (center-right) carried an editorial May 3 arguing that the Labor Party should "come to its senses" because JSF is the best and cheapest option. According to Telegraaf, canceling JSF will cost the Dutch hundreds of jobs and its international credibility. Instead, the Dutch Cabinet should make a decision of JSF in the fall.

#### Government on Track

14. (C) The Ambassador met with MOD State Secretary Cees van der Knaap and MOD Director for Defense procurement Dirk van Dord May 2. Also in attendance were MOD Advisor to the State Secretary Marleijn van Diepen, and Office of Defense SIPDIS Cooperation Chief COL David Kelly, LTC Ralph King, and polmiloff Jason Grubb.

15. (C) Van der Knaap and van Dord said the GONL remains positive on JSF; the defense procurement aspect of JSF has been staffed at the MOD working level. Van Dord said the Dutch Cabinet will soon become more involved in preparation for the planned JSF follow-on MOU signing at the end of the year. He noted that Norway's recent reservations may slightly complicate matters, as the GONL will then be forced to explain to Cabinet why a JSF partner chose to abandon the program. The ambassador noted that Norway's possible departure may result in more contracts for Dutch industry, while COL Kelly said any departure might result in more expensive planes and questions of confidence.

16. (C) Van der Knaap raised the Dutch request to be included in the operational test and evaluation phase of JSF, and noted Dutch plans to buy three planes in advance for just such a reason. If the Dutch cannot participate in the testing phase, then there is no reason to buy the advance planes -- or even make a purchase order for the rest, van der Knaap said. The ambassador noted the Dutch position was clear. COL Kelly said Washington principals were well aware of the Dutch request, as indicated by a letter from Dutch CHOD Gen. Berlijn to Gen. Myers. He added that Washington was currently examining details that might allow the Dutch to participate in the testing phase.

17. (C) Van der Knaap and van Dord also raised possible plans for a "European footprint" through a JSF sustainment and support center. They said the Dutch and Italians had agreed Italy would provide the final assembly line for the aircraft built in Europe, while the Netherlands would be responsible for engine maintenance. Van Dord said Denmark, Turkey and Norway have agreed to this approach, and were currently discussing further details. COL Kelly noted the JSF Executive Committee in Oslo in mid-May would present an ideal opportunity for the Dutch and Italians to present their proposal; van Dord replied they were considering such a presentation.

18. (C) From the political side of things, van der Knaap said the Dutch government already possessed a majority in Parliament to support the signing of the follow-on MOU, despite the apparent opposition of the Labor Party as made known by Blom's comments. Van der Knaap said Labor was "crazy -- and crazy about JSF" and now seemed committed to making it an election issue. He said Labor's objections are purely political -- JSF was the best plane for the best price, and would bolster Dutch employment. As such, he had a difficult time believing Blom's remarks represent Labor's true position. The ambassador said labor unions play a key role; van der Knaap agreed, and noted Lockheed Martin VP Tom Burbage's meeting with Dutch labor unions on May 12. The ambassador said he would attend the meeting.

19. (C) The ambassador asked for van der Knaap's bottom line: was he worried, especially as Labor appeared poised to control the government coalition following the elections in

2007? Van der Knaap said Labor leaders had indicated during negotiations of the latest Balkenende government that JSF would not be an issue; he still believes that is the case, and that recent Labor opposition is nothing more than political posturing. He added that recent news of yet another contract award by Dutch industry -- to be announced during Burbage's meeting with union leaders -- would be very helpful in undermining critics who claim the Dutch will not see a return on their investment.

Comment

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¶10. (C) Blom's remarks likely represent a trial-balloon from Labor to determine if JSF will play well in the elections -- it is hard to believe Blom's bluster that Labor would ""cancel"" an MOU signed by the previous government, especially if Labor looks to form a coalition with several parties from the current coalition. Nevertheless, we take Labor's opposition seriously -- if this is the hand they are playing, we will work on the labor unions to mitigate Labor's message. Meanwhile, the Dutch MOD continues to proceed as though JSF will happen -- as long as the Dutch are included in the testing phase.  
ARNALL